

SUMMARY

Summary of Report 7/2018, relating to the Support Office for Culture Initiatives, grants, years 2015 and 2016

Barcelona, 20 June 2018

The Public Audit Office for Catalonia has issued Report 7/2018, relating to the Support Office for Culture Initiatives (OSIC), grants awarded in financial years 2015 and 2016, in accordance with its Annual Programme of Activities.

The report, which was presented by Board Member Mr Jordi Pons i Novell, was approved by the Audit Office Board at its meeting on 15 May 2018.

The purpose of the report was to audit the grants awarded by the OSIC during years 2015 and 2016, reviewing both the calls for applications and the awards made and how beneficiaries fulfilled their obligations. The total amount awarded came to €71.65m.

The Conclusions section of the report presents the most significant findings arising from the audit carried out, of which the following can be highlighted:

- The OSIC was instituted in 2011 and actually set up in 2012. Act 11/2011, of 29 of December, for the Restructuring of the Public Sector to Streamline Governmental Activity, laid down that the Catalan Institute for Culture Enterprises would keep responsibility for the functions of approving the grant regulations and calls for applications and managing the awards in the area covered by its remit for the first two years after the OSIC had been set up. This time period has been extended twice; the second time was through Act 1/2016, whose sole article pushed back the deadline to 31 December 2019. The Audit Office considers that these time extensions are a contradiction to the main aim of creating the OSIC as a tool for centralising management of the Department of Culture's subsidising activity.
- Article 8 of the General Subsidies Act stipulates that entities which plan to arrange and offer grants must first draw up a Strategic Grant Plan. For years 2015 and 2016 the OSIC had not approved any such plan.
- The minutes of the evaluation committee meetings for those competitive grant application processes analysed included the tables (spreadsheets) of points awarded to grant applicants according to the evaluation criteria, but there was no evidence of the reasoning to justify the scores awarded. In eight grant application processes in which the evaluation committee modified the amounts awarded in respect of those assigned

automatically using the mathematical formula for parcelling out the budget between the applicants, the Audit Office considers that there was insufficient justification for those modifications.

- The evaluation committees for assessing and justifying the scores in three grant application processes established subcriteria which were not envisaged in the specific regulations for these processes.
- The review undertaken of grants excluded from competitive processes showed that in many cases the reasons invoked for it being impossible to arrange a competitive process were based on subjective aspects or expediency and not on any true impediment to competition; that a significant number of the non-competitive grants awarded could have been included in competitive grant lines already in place; that some non-competitive grants had common aims and could have been organised into a new line of subsidies; that some non-competitive grants were awarded to entities which did not comply with the requirements established in competitive grant application processes which should have been suitable for the activities involved; and that many of the non-competitive grants were awarded in both years covered by the audit and had also been awarded in previous years.
- Some of the grants excluded from competitive processes should have been included in the OSIC's budget as grants to named beneficiaries and this should have been adequately justified in the corresponding records.
- The OSIC did not have any procedure in place to countersign or stamp the expenditure vouchers submitted by beneficiaries, so as to check that any grants awarded in parallel did not overlap and end up paying more than the total cost of the subsidised activity, as required by the temporary provision established in Departmental Order ECO/172/2015, of 3 of June.

Finally, in the Conclusions section of the report various recommendations are made which, in the view of the Audit Office, would help to resolve some of the issues mentioned in the Findings section.

This summary is solely for information purposes. The audit report (in Catalan and Spanish) can be consulted at www.sindicatura.cat.